

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**
(Baltimore Division)

ELIZABETH A. RECUPERO and
RAYMOND MORRISON, Derivatively on
Behalf of OSIRIS THERAPEUTICS, INC.,

Plaintiff,

vs.

PETER FRIEDLE, YVES HUWYLER, JAY M.
MOYES, and THOMAS M. BRANDT,

Defendants,

and

OSIRIS THERAPEUTICS, INC.

Nominal Defendant.

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Civil Action No. 17-cv-00381-PX

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**JOINT NOTICE OF EXECUTION OF
MEMORANDUM OF UNDERSTANDING REGARDING SETTLEMENT**

AND

JOINT MOTION TO STAY

Nominal Defendant, Osiris Therapeutics, Inc., (“Osiris” or the “Company”) and Defendants, Peter Friedli, Jay Moyes and Thomas Brandt (the “Individual Defendants”),¹ and Plaintiffs, Elizabeth A. Recupero and Raymond Morrison, respectfully file this Notice of Execution of Memorandum of Understanding Regarding Settlement and Joint Motion to Stay, and state as follows:

¹ Yves Huwyler died in March 2017. Plaintiffs will file a motion to voluntarily dismiss Mr. Huwyler with prejudice.

1. On July 17, 2018, counsel for the Company and for plaintiff in the above-captioned lawsuit, as well as counsel for the plaintiffs in the related derivative actions captioned *Salley v. Debrabandere, et al.*, Case No. 17-cv-03777 (D. Md. 2017) (the “*Salley Action*”), *Lee v. Friedli, et al.*, Case No. 13-C-171111441 (Cir. Ct. Md. 2017) (the “*Lee Action*”), and *Connelly v. Debrabandere, et al.*, Case No. 13-C-16106815 (Cir. Ct. Md. 2016) (the “*Connelly Action*” and, collectively with this action, the “Derivative Actions”), executed a Memorandum of Understanding (“MOU”) that provided for the material terms of settlement of Derivative Actions.

2. The parties to the Derivative Actions are currently in the process of drafting settlement papers to submit to the court in the *Salley Action* for approval.

3. The parties to the Derivative Actions have agreed that, should the court in the *Salley Action* approve of the proposed settlement, and upon the court in the *Salley Action* entering a final order dismissing that lawsuit, plaintiffs in the remaining Derivative Actions will voluntarily dismiss their respective lawsuits.

4. The parties to the Derivative Actions have also agreed that they will seek a stay of all proceedings in the remaining Derivative Actions pending the court in the *Salley Action*’s ruling on the proposed settlement of the Derivative Actions; should the court in the *Salley Action* approve the proposed settlement of the Derivative Actions, the parties have agreed that the stay would extend until the court in the *Salley Action* enters a final order dismissing the *Salley Action* with prejudice.

5. The parties had previously stipulated, and this Court entered an order on March 28, 2017 (ECF No. 16), staying the proceedings in this lawsuit until 30 days after the court in the related federal securities class action, captioned *Nallagonda v. Osiris Therapeutics, Inc. et al.*,

Case No. 1:15-cv-03562-PX (D. Md. 2015) (the “*Nallagonda* Action”), denied all motions to dismiss in the *Nallagonda* Action or entered a final order dismissing the *Nallagonda* Action with prejudice.

6. The parties to this lawsuit respectfully request that all proceedings in this lawsuit remain stayed until the court in the *Salley* Action rules on the proposed settlement of the Derivative Actions; should the court in the *Salley* Action approve the proposed settlement of the Derivative Actions, the stay shall remain in effect until that court enters a final order dismissing the *Salley* Action with prejudice.

A proposed Order is attached.

Dated: July 31, 2018

Respectfully submitted,

/s/ Cynthia L. Leppert

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 31st day of July, 2018, a copy of the foregoing Notice of Execution of Memorandum of Understanding Regarding Settlement and Joint Motion to Stay was mailed, first class, postage prepaid, to the parties listed below, unless the Notice of Electronic Filing indicates that the parties are registered CM/ECF participants, and indicates that Notice was electronically mailed to said party.

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